



412 - Recoupment Request Policy

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Staff responsible for policy: DHCM Acute Operations and ALTCS

I. Purpose

This policy establishes requirements to be followed by all Acute Care and Long Term Care Contractors for various recoupment actions.

II. Definitions

Day: Calendar day unless otherwise specified.

Provider: Any person or entity who submits a claim and receives payment for the provision of covered services to members according to the provisions A.R.S. § 36-2901 or any subcontractor of a provider delivering services pursuant to A.R.S. § 36-2901. For the purposes of this policy, a Provider shall be further defined as all individuals associated by the same Tax Identification Number, utilized for claiming purposes.

Recoupment: a retraction of previous reimbursement related to a claim for payment.

III. Policy

A. Single Recoupments in excess of \$50,000

The Contractor must obtain advance approval from the AHCCCS Division of Health Care Management (DHCM), prior to initiating any single recoupment in excess of \$50,000 per provider Tax Identification Number (TIN). To obtain advance approval, the Contractor must submit a written request for approval to the Acute Care or ALTCS Operations and Compliance Officer in the format detailed below:

1. A detailed letter of explanation must be submitted that describes:
 - How the need for recoupment was identified
 - The systemic causes resulting in the need for a recoupment
 - The process that will be utilized to recover the funds
 - Methods to notify the affected provider(s) prior to recoupment
 - The anticipated timeline for the project
 - The corrective actions that will be implemented to avoid future occurrences
 - Total recoupment amount, total number of claims, range of dates for the claims being recouped, and total number of providers impacted
 - Other recoupment action specific to this provider within the contract year



2. An electronic file containing the following:

- AHCCCS Member ID
- Date of Service
- Original Claim Number
- Date of Payment
- Amount Paid
- Amount to be Recouped

3. A copy of the written communication that will serve as prior notification to the affected provider(s).

B. Recoupment of Payments Initiated More than 12 Months from the Date of Original Payment

The Contractor shall not recoup monies from a provider per TIN later than 12 months from the date of original payment of a clean claim, unless prior approval is obtained from AHCCCS. To request prior approval from AHCCCS, the Contractor must submit a request in writing to the Acute Care or ALTCS Operations and Compliance Officer with all of the following information:

1. A detailed letter of explanation must be submitted that describes:

- How the need for recoupment was identified
- The systemic causes resulting in the need for a recoupment
- The process that will be utilized to recover the funds
- Methods to notify the affected provider(s) prior to recoupment
- The anticipated timeline for the project
- The corrective actions that will be implemented to avoid future occurrences
- Total recoupment amount, total number of claims, range of dates for the claims being recouped, and total number of providers impacted

2. An Electronic file containing the following:

- AHCCCS Member ID
- Date of Service
- Original Claim Number
- Date of Payment
- Amount Paid
- Amount to be Recouped

3. A copy of the written communication that will serve as prior notification to the affected provider(s).

**C. Cumulative Recoupments in Excess of \$50,000 per Provider per Contract Year**

Contractors must continuously track recoupment efforts per provider TIN. When recoupment amounts for a provider TIN have or are forecasted to cumulatively exceed \$50,000 in a contract year, the Contractor must notify the AHCCCS Acute Care or ALTCS Operations and Compliance Officer at the time total recoupments are anticipated to exceed \$50,000 with all of the following information:

1. A detailed letter of explanation that describes:
 - How the need for recoupment was identified
 - The process that will be utilized to recover the funds
 - Methods to notify the affected provider(s)
 - Cumulative recoupment amount, total number of claims and range of dates for the claims being recouped

D. AHCCCS Responsibility and Authority

AHCCCS reserves the right to evaluate and to present the proposed recoupment action to the affected providers as part of the approval and or notification process. Communication will be at the timing and discretion of the Agency.

The AHCCCS Division of Health Care Management (DHCM) will review all requests for recoupment, evaluating such factors as validity, accuracy, and efficiency of Contractor processes. DHCM will also evaluate the proposed recoupment for the purposes of minimizing provider inconvenience. DHCM will acknowledge all requests in writing through electronic mail upon receipt of the completed file. A written determination will be sent to the Contractor by electronic mail no later than 30 days from the date of receipt of all required information from the Contractor. Any request for which no response is sent within the 30 day timeframe above will be deemed approved by DHCM.

E. Data Processes

Upon receipt of approval from AHCCCS the Contractor shall have 120 days to complete the project and submit the following:

1. Voided or replacement encounters (which must reach adjudicated status) and the appropriate associated information for all impacted encounters for recouped claims
2. The Contractor must, upon completion of the recoupment project, provide AHCCCS with an electronic file containing all of the following information for all recouped claims:
 - a. AHCCCS Member Identification number
 - b. Date of Service
 - c. Original AHCCCS CRN
 - d. New AHCCCS CRN



- e. AHCCCS Allowed amount
- f. Health Plan Allowed amount
- g. Health Plan Paid amount
- h. Provider Identification Number

The Contractor must submit the above information for each adjudicated encounter. AHCCCS will validate the submission of applicable voided and replacement encounters upon completion of this project. As a result of the adjudicated encounter data, AHCCCS may adjust related reinsurance payments, Title XIX or Prior Period Coverage reconciliation payments or any other amounts paid to the Contractor that are impacted by the recoupment.

F. Attestation

All documentation and data submitted by the Contractor for purposes of recoupment activities must be certified by the Contractor as specified in the Balanced Budget Act of 1997 42 CFR 438.600 et seq.. If it is determined after the recoupment action that any of the information provided to AHCCCS is inaccurate, invalid, or incomplete, or that the Contractor fails to comply with any provision of this Policy, the Contractor may be subject to corrective action up to and including sanction under the Acute Care Contract, Paragraph 72 or the ALTCS Contract, Paragraph 80.

III. References

- Title 42 of the Code of Federal Regulations Part 438 Subpart H, 42 CFR 438.600 et seq.
- Title 9 of the Arizona Administrative Code, Chapter 22, Articles 6 and 7 (A.A.C. R9-22 - 601 et seq. and A.A.C. R9-22-701 et seq.
- Title 9 of the Arizona Administrative Code, Chapter 28, Articles 6 and 7 (A.A.C. R9-28-601 et seq. and A.A.C. R9-28-701 et seq.
- AHCCCS Acute Care Contract Section D, ALTCS Contract Section D, CRSA Contract Section D, CMDP Intergovernmental Agreement Section D.